

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Milford Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: February 19, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on October 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.40% to 7.25% and a revised mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Milford Retirement System
January 1, 2019 Actuarial Valuation

Total Cost Increasing 7.0% per year until FY35 with final amortization payment in FY36

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2020	2,109,914	70,000	3,192,400	221,020	29,166	5,622,500	62,374,359	
2021	2,204,860	70,000	3,479,795	230,966	30,478	6,016,100	63,267,796	7.0%
2022	2,304,079	70,000	3,789,912	241,359	31,850	6,437,200	63,911,207	7.0%
2023	2,407,762	70,000	4,124,534	252,221	33,283	6,887,800	64,261,982	7.0%
2024	2,516,112	70,000	4,485,437	263,570	34,781	7,369,900	64,272,517	7.0%
2025	2,629,337	70,000	4,874,686	275,431	36,346	7,885,800	63,889,858	7.0%
2026	2,747,657	70,000	5,294,336	287,826	37,982	8,437,800	63,055,011	7.0%
2027	2,871,301	70,000	5,746,630	300,778	39,691	9,028,400	61,702,512	7.0%
2028	3,000,510	70,000	6,234,100	314,313	41,477	9,660,400	59,759,757	7.0%
2029	3,135,533	70,000	7,131,067			10,336,600	57,146,177	7.0%
2030	3,276,632	70,000	7,713,568			11,060,200	53,772,678	7.0%
2031	3,424,080	70,000	8,340,320			11,834,400	49,540,607	7.0%
2032	3,578,164	70,000	9,014,636			12,662,800	44,341,075	7.0%
2033	3,739,181	70,000	9,740,019			13,549,200	38,053,805	7.0%
2034	3,907,445	70,000	10,520,155			14,497,600	30,546,109	7.0%
2035	4,083,280	70,000	11,359,120			15,512,400	21,671,790	7.0%
2036	4,267,027	70,000	11,466,881			15,803,908	11,269,762	1.9%
2037	4,459,043	70,000				14,857,072	0	-6.0%

Expenses assumed to be \$450,000

Appropriation payments assumed to be made October 1 of each fiscal year

Normal cost assumed to increase 4.5% per year